Hearing Before the U.S. House of Representatives Committee on Energy and Commerce
Subcommittee on Environment

2123 Rayburn House Office Building
April 13, 2018

"*High Octane Fuels and High Efficiency Vehicles: Challenges and Opportunities*"

Statement of Paul Jeschke
On behalf of the Illinois Corn Growers Association

Chairman Shimkus, Ranking Member Tonko, thank you for inviting me here to speak about what high-octane fuel can do for America's farmers.

As a corn farmer from the village of Mazon, Illinois, I never imagined that I would be sitting in this chamber in our Nation's capital, talking about corn-based, higher-octane fuels.

A growing body of evidence shows that high-octane midlevel ethanol blends offer the most environmentally friendly and cost-effective route to increased vehicle efficiency and lower greenhouse gas emissions.

High-octane gasoline derived from hydrocarbons is dirtier and more costly than regular gasoline. Today's premium fuel can cost 40 to 80 cents more than regular unleaded. Consumers deserve affordable high-octane choices at the pump.

Ethanol is simply the most cost-effective octane additive available in the marketplace. A midlevel ethanol blend consisting of 25 to 30 percent ethanol, splashed into today's regular gasoline blendstock, would have an octane rating of 98 to 100 RON, higher than today's premium. This fuel would enable more efficient vehicles and lower greenhouse gas emissions.

High-octane, midlevel ethanol blends mean lower costs for both refiners and consumers. These blends could be made by plash-blending ethanol into the existing regular gasoline blendstock with no change in refinery operations. These blends would reduce upstream greenhouse gas emissions because ethanol is less-carbon intensive and would improve air quality because ethanol displaces harmful air pollutants from aromatic hydrocarbons.

Given our trend-line gains in corn yields, I believe we can meet the future demand for corn-based ethanol on the land we're farming now. Farmers are growing more corn—or octane - per acre than ever before.

The growth of corn ethanol production has done more to bring profitability to corn farmers than any of the many other government support programs which I've experienced, and ethanol's development was financed to a large extent with farmer investment.

This profitability allowed many young people to farm, including my nephew. But domestic ethanol use has stagnated, and our profitablity is again collapsing. Since 2014, Illinois farm profit has been dismal, near zero in 2015. This projects a bleak future for all of us, but especially these younger farmers. What can be done? The answer is clear to me. As our vehicles of the future need higher octane, cleaner burning fuel, we should look to higher blends of ethanol.

Our nation's fueling infrastructure can already accommodate midlevel ethanol blends, and with only minor investments the needed fueling infrastructure could be readily available nationwide, similar to that of diesel fuel.

Unfortunately, EPA regulations are stifling both fuel and engine innovations, preventing consumers from enjoying the performance benefits and fuel savings of midlevel ethanol blends.

Until these barriers are addressed, it is simply not true that a minimum octane standard would "provide the biofuel industry with the opportunity to expand its market share," as some of my fellow witnesses claim. For ethanol to be free to compete in the market on the

basis of its value as an octane enhancer, EPA's anti-competitive regulations must be corrected.

Some of these regulatory concerns include:

- The same RVP standards for all fuels containing at least ten percent ethanol;
- A new high-octane, midlevel ethanol alternative certification fuel, such as 98-100 RON E25;
- A fuel economy equation that does not penalize ethanol blends;
- A technology-neutral vehicle economy and GHG regulatory scheme that treats all alternative fuels alike to the extent that they reduce petroleum consumption and greenhouse gas emissions,
- An accurate lifecycle analysis of the greenhouse gas benefits of corn ethanol, like those that USDA and the Department of Energy have developed.

EPA could address these issues though regulation, without the need for new legislation. In addition, automakers should warranty new vehicles for ethanol concentrations of up to at least 25 percent, as BMW has already done for some of their vehicles.

Removing these barriers would clear the road for high octane, high efficiency vehicles.

More details on these points and other observations and suggestions are covered in my written testimony as submitted to this committee.

I am proud of what we do on my family's farm. And I am proud that our corn crop can have a part to play in the high-octane future that's heading our way if we are allowed to. America' corn farmers are ready to do our part to deliver, Mr. Chairman.